

# House File 2507 - Enrolled

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HOUSE FILE 2507

## AN ACT

RELATING TO PRIORITY OF LABOR OR WAGE CLAIMS OVER OTHER DEBTS  
WHEN AN EMPLOYER'S PROPERTY IS PLACED IN RECEIVERSHIP OR  
OTHERWISE SEIZED BY CREDITORS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

Section 1. Section 626.69, Code 2005, is amended to read  
as follows:

626.69 LABOR OR WAGE CLAIMS PREFERRED.

When the property of any company, corporation, firm, or  
person shall be seized upon by any process of any court, or  
placed in the hands of a receiver, trustee, or assignee, or  
~~their property shall be seized by the action of creditors, for~~  
the purpose of paying or securing the payment of the debts of  
such company, corporation, firm, or person, the debts, or  
wages as defined under section 91A.2, subsection 7, owing to  
all laborers or employees other than officers of such  
companies, for labor or work performed or services rendered  
within the ninety days next six months preceding the seizure  
or transfer of such property, ~~to an amount not exceeding one~~  
~~hundred dollars to each person, shall be considered and~~  
~~is treated as a preferred debt and paid in full, or if there is~~  
~~not sufficient are insufficient funds realized from such~~  
property to pay the same in full, then, after the payment of  
costs, ratably out of the ~~fund funds~~ remaining.

Sec. 2. Section 626.73, Code 2005, is amended to read as  
follows:

626.73 PRIORITY.

Claims of employees for labor or wages, if not contested,  
or if allowed after contest, shall have priority, unless  
otherwise stated in this chapter, over all claims against or  
liens upon such property, except prior mechanics' liens for  
labor in opening or developing coal mines as allowed by law.

Sec. 3. Section 680.7, subsection 3, Code 2005, is amended  
to read as follows:

3. Debts owing to employees for labor or work performed or  
services rendered as defined by provided in section 626.69.

Sec. 4. Section 680.8, Code 2005, is amended to read as  
follows:

680.8 NONAPPLICABILITY.

The provisions of section 680.7 shall not apply to the  
receivership of state banks, as defined in section 524.105,  
trust companies, or private banks, and in the receivership of  
such state banks and trust companies, or private banks, no  
such preference or priority shall be allowed as is provided in  
~~said the~~ section except for labor or wage claims as provided  
by statute.

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CHRISTOPHER C. RANTS  
Speaker of the House

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JEFFREY M. LAMBERTI  
President of the Senate

I hereby certify that this bill originated in the House and  
is known as House File 2507, Eighty-first General Assembly.

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MARGARET THOMSON  
Chief Clerk of the House

Approved \_\_\_\_\_, 2006

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THOMAS J. VILSACK

